JPRS L/9978

11 September 1981

Sub-Saharan Africa Report

FOUO No. 740

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CONTENTS

ANGOLA

BRIEFS

PASSENGER SHIPS--Licenses for passenger transportation were awarded to the following-named vessels: Kifangondo, Lundogi, Ebo, Hoji ya Henda, Joaquim Kapango and Ngola; they belong to the ANGONAVE Company (Maritime Lines of Angola). These vessels provide for regular connections with Northern Europe, the Mediterranean, Portugal, and South America. In Angola, they put into the ports of Luanda, Lobito, Mocamedes, and Cabinda. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866, 14 Aug 81 p 2123] 5058

CSO:4719/327

CAMEROON

DEVELOPMENT BANK REORGANIZES; CONSUMER CREDIT ELIMINATED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866,14 Aug 81 p 2112

[Excerpts] The governor of the province of Northern Cameroon, El Hadj Ousmane Mey, chaired two meetings of the board of directors and two plenary meetings of the Cameroonian Development Bank (BCD) 27 July in Yaounde.

The first meeting of the board reviewed the bank's activities during the fiscal year 1979-1980, as well as the balance on 30 June 1980. It was followed by the regular plenary meeting which approved the accounting reports for 30 June 1979 and 30 June 1980.

The second board meeting and the plenary meeting which followed endorsed a profound reform of the BCD in accordance with decisions of the Cameroonian Government.

Beyond the adoption of new regulations and the establishment of a new organization chart, the reform covers the elimination of consumer credit, which was formerly called "social credit."

The BCD henceforth will only finance credits to the economy, or in other words productive investments, with emphasis on agricultural credit, agro-industry, industry, domestic and foreign trade, small and medium-sized industries, handicrafts, the liberal professions and the public markets.

Finally, the extraordinary plenary meeting decided to increase the book value of the bank's public capital by Fr CFA 6 billion, divided as follows: United Republic of Cameroon: Fr CFA 4.9 billion; Central Fund for Economic Cooperation [CCCE]: Fr CFA 600 million, and Bank of Central African States (BEAC): Fr CFA 500 million.

9516
CSO: 4719/322

CHAD

BRIEFS

GOUKOUNI-PENNE MEETING--Prospects for renewed French-Chadian cooperation were also mentioned in Libreville by Goukouni Oueddei, president of the Transitional National Unity Government (GUNT) of Chad, who had just met Guy Penne, President Mitterrand's adviser for African and Malagasy affairs, in the Gabonese capital. During the meeting, Goukouni asked Mr Penne to convey to the French president the wholehearted readiness of the Chadian authorities to continue the dialogue with France in a more realistic manner. Mentioning possible French military assistance to Ndjamena, the GUNT president indicated that Chad had no need of any outside force whatever to reconstitute its army, but rather had a need for training assistance, equipment, and financial resources. He added, however, that the idea of an inter-African force had not been abandoned, and the Chadian Government was still prepared to accept one, provided that the OAU [Organization of African Unity] could really put one together. Finally, Mr Goukouni Oueddei indicated he was satisfied with his talks with President Bongo, and said he had received assurances that Gabon would help with Chad's reconstruction. [Excerpts] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866, 14 Aug 81 p 2113] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

PAYMENT OF CIVIL SERVANTS--Chadian civil servants received the equivalent of one month's salary in early August, thanks to money provided by Tripoli. They had last received their paychecks in March, following an accord between the GUNT [Transitional National Unity Government] and the Libyan authorities. That accord, which provided for Libya to take care of paying the civil servants for 6 months starting in March 1981, had not been honored subsequently. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866, 14 Aug 81 p 2113] COPRIGHT: Rene Moreux et Cie Paris 1981] 9516

CHADIAN REFUGEES IN SUDAN--The number of Chadian refugees in Sudan now exceeds 12,000, all of them located in the Darfur region, in the western part of the country, according to an announcement made in late July at a Khartoum press conference by the governor of Darfur, Mr Ahmea Ibrahim Duroyj. The governor indicated that these refugees posed many problems for public services in the region, but that the necessary lodging and medical and sanitary services had been provided. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866, 14 Aug 81 p 2114] COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

REFUGEE REPATRIATION COMMITTEE--A "National Committee in Charge of Repatriating Chadian Refugees" was created in Ndjamena around the middle of June by a decree of Mr Goukouni Oueddei, president of the Transitional National Union Government of Chad, or GUNT. The committee, placed under the responsibility of Mr Naimbaye Lossimiam, Chad's agriculture minister, will work in cooperation with the United Nations High Commission for Refugees (HCR). Among other tasks, the committee must establish reception centers for Chadian refugees in Cameroon, Nigeria, Sudan, the Central African Republic and Saudi Arabia. The announcement that on last 8 May a three-part commission was created, made up of representatives of HCR and of the governments of Chad and Cameroon, has been without result so far. Six months after fighting ended in the capital, the Chadian refugees are still reluctant to return home. Those staying in Kousseri-approximately 80,000--are asking the HCR to continue taking care of them after their return and are asking to be compensated by GUNT. Chadian government workers shuttle every day between Kousseri, where they live in tents and receive donations from international organizations, and Ndjamena, where they work. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French [no issue No given] 26 Jun 81 p 1719] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11936

CSO: 4719/103

CONGO

BRIEFS

COMPLETION OF PRESIDENT'S TOUR--President Denis Sassou Nguesso returned to Brazzaville on 18 June from a 24-day working tour of the Plateaux and Cuvette areas, North of the People's Republic of Congo. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1859, 26 Jun 81, p 1721] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11936

AIR AFRIQUE REGIONAL HEADQUARTERS--President Denis Sassou Nguesso has just presided over the official opening of the new regional headquarters building for Central Africa of Air Afrique, the multinational corporation. Attending were Mr Aoussou Koffi, president and chairman of the board of that company, as well as members of the political bureau of the "Parti Congolais du Travail" [Congolese Labor Party] or PCT, and members of the Congolese government. The new building, covering an area of 1460 m^2, cost 460 million CFA francs. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1859, 26 Jun 81, p 1721] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11936

NEW PETROLEUM DEPOSITS--With its first three wells, Elf-Congo has just gradually begun production at its new petroleum deposit in the Congo, under the Pointe-Noire Grands Fonds license which is jointly held, with Elf-Congo holding 65 percent and Agip Recherches Congo holding 35 percent. This deposit, named Yanga, is part of a joint concession with the Sendji deposit, where production is schedules to start in 1982. Production facilities for the Yanga deposit will include two eight-pile platforms, one for drilling and production, and the other for a "quarters" structure, and 4 four-pile platforms for drilling. The firm Bouygues Offshore Congo is building the four-pile platform structure in Pointe-Noire and the first of these structures has just been completed in the presence of the minister of mines and energy and the minister of planning of the People's Republic of Congo. [Text] [MARCHES TROPICAUX ET MEDITERRANEENS in French No 1859, 26 Jun 81, p 1721] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 11936

CSO: 4719/108

GABON

REPORT STUDIES POSSIBLE DEVELOPMENT OF FISHING SECTOR

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866, 14 Aug 81 p 2114

[Excerpts] The magazine L'ECONOMISTE GABONAIS, published by the Gabon Center of Foreign Trade (POB 3906, Libreville), has just devoted an article to the prospects of the fishing industry in Gabon.

In 1978, the Gabonese fishing fleet represented about 34 percent of the total number of operating units and 27 percent of the jobs in the industrial fishing sector. Output came to 13 percent of the total, excluding Equatorial Guinea.

Gabon's exploitable resources has been estimated at 35,000 tons of fish per year, where national consumption is only 13,500 tons per year. The population of Gabon (7 percent of the entire area concerned) takes up 11 percent of the catch which gives us an average consumption of 21 kilograms of fish per year.

Artisan fishing supplies 63 percent of the maritime fishing tonnage and 30 percent of the fish consumed in Gabon, with an output of 4,300 tons per year, including 500 tons of sweet-water fish. The maritime fishing traditions remain limited among native Gabonese.

According to L'ECONOMISTE GABONAIS, the report recommends the creation of fish regrouping centers (Omboue and Mayumba), the granting of loans for equipment, improvement of the transportation network, organization of fishermen, development of salting techniques, increased motorization of small fishing boats, development of fish farming and sardine fishing, and promotion of consumption of grilled (not smoked) fish.

The report also recommends a policy of cooperation between countries for fishing in the framework of the region.

Fishing south of Cape Lopez should be stepped up so as to get an additional catch of 2,200 tons in 1990. Three trawlers should also be placed in service in Gabon.

The report also suggests the "upgrading" of the port of Port-Gentil, the creation of a national shipping company, and the application of fishing licenses to be issued to foreign shipping companies.

The Gabonese foreign trade magazine points out that the creation of a company, based at Port-Gentil and responsible for running a fleet of five or six tuna boats, has been studied, along with a canning plant with a capacity of 5,000 tons per year. The investment would be something like 6 billion CFA [Francs of the African Financial Community], including 3 billions for two tuna refrigerator vessels and 520 million CFA for refrigeration facilities. The French partners in the project are Chevannes, Merceron, Ballery for the supply of vessels using nets and the cooperative shipping outfit of Lagune-Artean for rod fishing.

5058
CSO:4719/327

GAMBIA

ECONOMIC PLANS, COUNTRY'S PROSPECTS DISUCSSED

One of Poorest Nations

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French [no issue No given]
7 Aug 81 pp 2031-2032

[Text] United Nations conference on the least developed countries, Paris, 1-14 September, 1981.

Gambia is one of those artificial creations which well illustrates the term "Balkanization," often used to designate the proliferation of countries born by chance from conquests long past and not justified by any natural exigencies.

In any case, Gambia is a curious phenomenon, this 10,000 km^2 miniature with 600,000 inhabitants spread along the 350 km of the winding Gambia River, and it has resisted the test of time. The former British Crown colony, jutting into Senegal, has been coveted by its neighbor, which dreamed of a Senegambia, but the federation never took place. Interests diverged, and the former Bathurst, now Banjul, intended to remain a center for reshipping a semi-official trade which prospered in the shadow of customs duties distinctly lower than those of other countries in the area.

Now each of the two countries is "suffering from peanuts" because of the drought and the decline in world exchange rates. Gambia is still a sort of free zone from which merchandise is shipped to Guinea, Senegal and Mali, but the Venetian republics' prosperity is long gone, especially south of the Sahara.

One cannot help but think of regional or subregional groupings styled after CEAO or ECOWAS, motivated by a real community spirit, which would pick up where these organizations have left off. They are surely well intentioned, but each day shows their incapacity to emerge from the ranks of the eternal laggards. But Gambia still exists and despite laudable efforts, it needs permanent aid in order to subsist and, maybe one day, to be a country where one can expect to live past the age of 38.

A River, a Product

All the country's activities are organized around the river which gave its name to the little nation. It is perfectly navigable from the port of Banjul, on the estuary, to Kuntaur, 240 km upstream. About thirty ports, which are stopping points and local markets where a 90 percent rural population does its shopping, dot this route. This waterway annually carries almost a million tons of merchandise and products, while in the port of Banjul, warehouses and reshipping point, 700,000 tons of varied goods are handled.

Rising in Guinea and also crossing Senegal, the Gambia River is of interest to three states, and their leaders, after quite a few difficulties, established a joint organization, OMVG [Organization for the Development of the Gambia River], to develop the river. As in Senegal, but several years behind, dams, hydroelectric stations and irrigation zones will be implemented sometime in the future. The river has also two useful riverbanks, each 15 km wide. On these strips of earth all the economic life of the country takes place, and in the farming zones there is a density of 90 inhabitants per km^2, which is uncommon in Africa.

Agricultural production consists mainly of peanuts. They alone account for 90 percent of exports and their cultivation covers 50 percent of farmed land: 110,000 out of 207,000 hectares. There is hardly a need to emphasize the major disadvantage of this predominance of peanuts. When the harvest, which is usually about 130,000 tons, falls to 69,000 tons as it did during the 1979-1980 season, the entire foreign trade balance, and thus the financial situation, is jeopardized. Add to this a huge drop in the world peanut market, and you get an idea of the structural weakness of the Gambian economy. (In 1980, the price of peanuts had dropped 37 percent in constant dollars compared to 1975.) Senegal is also subject to this type of problem, but it also has phosphates and other potential.

Millet, sorghum, corn and rice are the main food crops but production is insufficient and it is necessary to import grains to make up this difference. Small-scale fishing and an almost nonexistent industry complete the Gambia's resources. Under these conditions, it is not surprising that the Gambia's economy statistics are not very encouraging.

First of all, the gross domestic product, an index of poverty more than wealth in many African countries, has increased by only 2.25 percent per year the last 6 years (11.3 percent in constant terms). This is less than the population increase of 2.8 percent. Per capita gross domestic product decreased 3.4 percent between 1974 and 1980, going from 561 dalasis to 542 delasis*, which equals $320, and puts Gambia among the unenviable ranks of the poorest countries on earth. Investments, however, have not been insignificant and, during the last 5-year plan, equaled over one quarter of the gross domestic product. But how can economic structures which are rooted in a still flourishing traditionalism be rebuilt in a few years?

Because of the decrease in exports (peanuts, fish) and the increase in imports, the trade balance has worsened considerably. In 1974-1975 the deficit was only 3.5 million dalasis, but in 1979-1980 it reached 200 million, 50 percent of the gross domestic product. Financing this deficit took a heavy toll on the Gambia's financial position in foreign markets. At the same time, the current balance of payments continued to deteriorate. In 1980 the balance was -40 million dalasis, and at the end of 1980 foreign currency reserves equaled only 16 days of imports.

* 1 pound sterling = 4 dalasis. 1 dalasi = $0.59 (1980).

The present situation is not very good, and it seems to be necessary to undertake effective action quickly. Otherwise, Gambia is liable to become mired in chronic underdevelopment for some time to come.

Plans and Prospects for the Eighties

These prospects are outlined in the 5-Year Plan 1981-1986 which will implement a total of 73 projects, of which 22 are only the continuation of projects begun during the preceding plan. The rural sector, which will receive 40 percent of investments, is particularly emphasized. This was necessary because of the latest disappointments with the peanut crop. Almost 30 percent of investments will go to infrastructures, notably the port of Banjul. These two areas set the tone for this new plan by directing the major efforts in two areas: diversification of agricultural production in order to decrease the predominance of peanuts, and improvement of infrastructures in order to increase the Gambia's commercial and distribution role for its neighbors.

A rapid examination of the major products gives an idea of the scope of the "economic forces" that must be mobilized in order to make this plan a reality.

** Agriculture (30 percent of the gross domestic product). -- Under this heading the planners have included one of the large dam projects on the Gambia as well as the establishment of light industry related to agriculture. Fifteen projects are included in this renovation of the rural sector.

-- Dam on the Gambia. This is designed to develop natural and agricultural resources. Guinea and Senegal will help in its financing through the OMVG. Construction should begin in 1983 and last 3 years. The dam will be located at Yellitenda, about 150 km from the mouth. The creation of this large reservoir will allow water salinity to be controlled and 20,000 hectares to be irrigated, thus increasing production of food crops. Another point, and not the least important, concerns the infrastructure sector: the dam will serve as a bridge and will be an important factor in increasing national and international traffic. The feasibility study was done in 1979 and the cost of this project, in 1978 prices, is estimated at 150 million dalasis.

-- Development of rice crops in the Jahali and Pacharr regions. Close to 500 hectares will be prepared to increase rice production; another area of 500 hectares will be specially treated to improve yield. This pilot project will be a model for rice cultivators.

-- Cotton production will finally be increased; for the moment it is barely 800 tons. This industrial plant should little by little increase the value of exports which will then be less dependent on peanuts. The cotton ginning factory presently in use will be enlarged.

-- Experts think that a peanut harvest of 180,000 tons per year can be reached by the end of the 5-year plan.

** Livestock (less than 5 percent of the gross domestic product). -- Improvement of grazing land, establishment of a model meat processing plant and the creation of local tanneries are all foreseen.

** Fishing. An important natural resource, fishing has not been developed to the fullest. The overall catch is about 35,000 tons/year of which 20,000 tons is commercial. Projects in this area include the construction of a fish processing plant; purchase of fishing boats; and a reorganization of commercial networks.

** Industry (6 percent of the gross domestic product). -- The major project is the construction of a factory for making fireproof bricks using Kanifing clay.

** Infrastructures. The second phase in the modernization of the port of Banjul, primarily increasing storage capacity, will be started. The intermediary ports along the Gamgia will be improved. Finally, highways will continue to be upgraded.

** Health. Gambia has one of the highest mortality rates in West Africa but, paradoxically, tourism is definitely increasing. The most important projects in this field are the renovation and enlargement of the two main hospitals in Banjul and Bansang, and increasing the number of health centers and dispensaries for disease prevention.

During his time a French chief of state spoke of "the pressing obligation of the plan." Can it be the same for countries who are undoubtedly looking ardently for ways to escape the shadow of underdevelopment but do not have the resources? Not just financial resources, which is a lesser evil, but especially the manpower resources in qualified personnel and know-how as in Gambia today.

Who, in this country, is going to be able to implement and then use efficiently the 73 projects which will cost 750 million dalasis, or $400 million? Financing will undoubtedly be granted according to the Gambia's financial situation, but how can the transition take place between the builder, the developer and the local user? Training the labor force constitutes, especially for the least advanced countries, a significant impediment which will disappear only after many years of effort.

Difficult Economic Situation

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French [no issue No given]
7 Aug 71 p 2048

[Excerpts] The members of the CSR [Supreme Revolutionary Council] also intended to take advantage of the widespread discontent with President Jawara's government, which was caused by the difficult economic situation that Gambia has been in. This was emphasized by the economic analysis devoted to this country within the framework of studies on the 21 African states listed among the least developed countries (PMA).

It should be noted that, econmically, last year's drought and the world crisis hit Gambia very hard. The country has just joined the International Monetary Fund (IMF; see MARCHES TROPICAUX ET MEDITERRANEENS 16 June 1981, p 1709) to alleviate its difficulties.

Because of insect attacks and the lack of rain, last year's agricultural production was the lowest recorded in the country in 30 years. Farmers brought only 40,000 tons of peanuts (compared to 140,000 tons in a normal year) to the country's only oil processing plant, and this is the main source of income for the farmers and the state, and the country's major export.

One consequence of this situation was the 3.2 percent drop in the gross domestic product which went from 401.6 million dalasis in 1979 to 399.3 million in 1980. (One dalasi equals 1/4 pound sterling.) Another consequence was the decrease in exports which reached their lowest level since 1974—only 52.8 million dalasis in 1980 compared to 83.1 million in 1979. Meanwhile, imports increased to 225.4 million in 1980.

This high level of imports is due to the fact that Gambia, which has a liberal trade system, imports more than it needs in order to reship illegally to neighboring or nearby countries (Senegal, Mali, Mauritania, Guinea). This practice, which has made Gambia into an enormous supermarket for several West African countries and had helped to balance the budget and the balance of payments, began 3 years ago to bring less and less to the state treasury.

This corruption allowed several importers to avoid customs duties and thus deprived the Gambian treasury of a great deal of its resources. The free exchange rate contributed to a steep decline in foreign currency and the Central Bank of Gambia only rarely intervened in these transactions.

Gambia's balance of payments was in trouble from the beginning of the year despite outside aid coming notably from STABEX [Stabilization of Export Earnings System] (138.68 million dalasis) and the International Monetary Fund (775,388 dalasis). Saliku Sabally, minister of finance and commerce, announced at the beginning of July that Gambia was negotiating with the IMF in order to benefit from its increased facilities and was to elaborate a stabilization program and adopt corrective measures. (See MARCHES TROPICAUX ET MEDITERRANEENS 17 July, p 1880. Presentation of the Budget 1981-1982.)

According to the minister, all sectors of the Gambian economy had receeded except transportation and construction. Tourism, an important sector, had recorded a 19.7 percent decline in 1980 compared to 1979 (21,347 arrivals vs. 26,587). This declining tendency continued throughout the year.

The Gambian finance minister also estimated a decline in employment of 5 percent and an 8.2 percent increase in prices of consumer goods. These same prices underwent a second increase in July following a vote in Parliament to raise taxes and create new ones. A liter of gas jumped 50 percent and caused a demonstration by transport workers in July, and taxes on drinks, natural gas, tea, tobacco, batteries, and textiles, as well as import taxes, were also increased. Salary increases should compensate for these price rises, but they had not yet been decided upon at the time of the attempted coup d'etat.

9720
CSO: 4719/284

GAMBIA

WRITER BELIEVES SENEGALESE RESCUE COULD PORTEND ANNEXATION

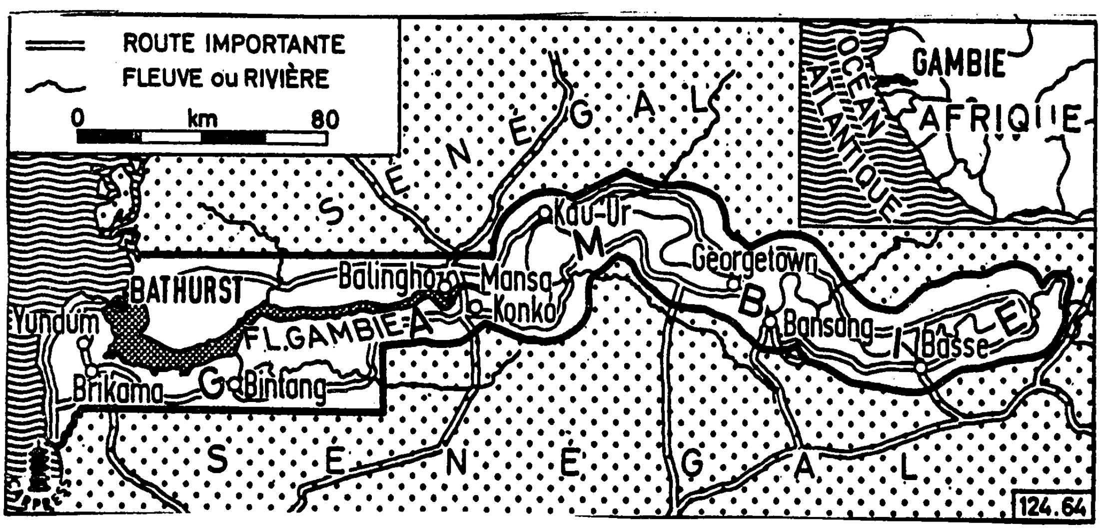
Paris JEUNE AFRIQUE in French No 1075, 12 Aug 81 pp 24-26

[Article by Francois Soudan: "Salvation or Annexation?"]

[Text] By going into their neighboring country to restore power to President Jawara, Senegalese troops run the risk of having to extend their stay. Or even remain indefinitely.

Sir Dawda Kairaba Jawara was playing golf, his favorite sport, somewhere north of London, when a somewhat embarrassed Foreign Office emissary came to inform him a coup in Banjul had overthrown him. It was early morning, Thursday 30 July. At 0500, while Sir Dawda was still resting from the arduous festivities surrounding the marriage of Charles of England to Lady Diana, three officers of the Field Force (of the Gambian army), about 10 civilians and 50 soldiers surrounded the radio station and the presidential palace, announced the creation of a "supreme revolutionary council," dissolved the national assembly, and banned all political parties.

A classic putsch, in all, even if for Gambia it was a first. After a pause for reflection slightly longer than normal--since his cerebral hemorrhage, 14 months ago, the president has not had his old vivacity--Sir Dawda exclaimed: "I am going home tonight to put down the rebellion." In reality, it was to be 3 more days before he saw Gambia again.



In feverish Banjul, left to its own devices under the downpours of the rainy season, the people of the populous quarters, the downtowns of Brikama, James Senegal and from Sagora with its miserable hovels, already beleaguered the business quarter. Several shopwindows were shattered and looting began. MacCarthy Square, the big town square in the center of this city of 50,000 inhabitants, was swarming with people, while fighting continued between the insurgents and the police who remained loyal to the president.

But the Field Force, which emptied the arsenals in order to arm several hundred civilians, rapidly gained control of the capital. On the radio, impassioned declarations followed one after another. Their tone was curiously unusual for the region: "revolutionary socialism," "dictatorship of the proletariat," "Marxist-Leninist party."... In London, Jaware learned the name of his successor: Kukli Samba Sanyang, an extreme-leftist functionary who was an unsuccessful candidate for the legislature in 1977.

But the euphoria of the rebels was not to last a full day. In two waves (airborne para-commandos, first of all, dropped Thursday night over Yundum airport, then land forces sent from Kaolack in the north and Ziguinchor in the south), the Senegalese army occupied Banjul. On 3 August, only the Field Force camp at Bakau, where 29 hostages (including 18 children and Jawara's first wife) were being held, remained in the hands of the putschists.

What was the reason for this intervention, which was condemned by five of Senegal's nine opposition parties on the principle of "noninterference"? Because Dawda Jawara requested it from Abdou Diouf, Thursday 30 July, by telephone. By virtue of a mutual defense treaty signed in 1966 and amended in November 1980. Clear. This is how counter-coups are born. And, too, the Senegalese troops already knew the territory: on 31 October 1980, 400 men had occupied Banjul for a week--in two waves, like this time--following the discovery of a "pro-Libyan conspiracy." Two radical parties, accused of having fomented it--Movement for Justice in Africa (MOJA) and Gambian Socialist Revolutionary Party (GSRP) were subsequently banned.

In reality, the novice putschists of the time drew their inspiration more from Sgt Doe and Capt Rawlings than from Col al-Qadhdhafi. Similarly, it was doubtless a confused extreme left ideology rather than a "foreign hand" that motivated Kukli Sanyang and his friends, despite the desperate appeal they launched to their "comrades in Guinea, Guinea-Bissau and the USSR,' and despite the extremely cautious commentaries TASS made on the Senegalese intervention.

A poor country of a half million people, whose only exportable wealth is groundnuts (its production has fallen from 132,000 tons in 1973 to 78,000 tons this year), Gambia has for a decade been wide open to tourism, which, along with contraband, provides most of the foreign exchange earnings.

It is a boisterous tourism, with deluxe hotels like the Atlantic in Banjul bordering the shantytowns of Independence Avenue, drugs and prostitution. The traumas and frustrations engendered in the unemployed youth of the capital--those who supported the putschists, while the peasants remained loyal to Jawara--gave rise to the impulse to purify, to burn, which is sometimes virtually a self-defense reaction.

Deeply democratic, a consistent supporter of unrestricted party pluralism, the first of Africa' leaders to denounce the dictatorship of Idi Amin and the only one to suspend trade relations with the Soviet Union to protest against the invasion of Agfhanistan, did Dawda Jaware fail to understand the advance warning signs of the 30 July coup? Or must one simply say that the stability of a country paradoxically necessitates the periodic change of its leaders (Jawara has been in power since 1965), if one wants to avoid bloody convulsions?

The Senegalese military intervention, which no one in Africa or elsewhere has yet condemned (doubtless because everyone gives Dakar "credit" for having up to now respected the independence of this English-speaking enclave born of the arbitrary colonial boundary-drawings), may well have long-term effects.

Like Tanzania which in 1979 helped Obote overthrow Idi Amin, Senegal is in the grip of a profound economic crisis. Like Tanzania, it doubtless hopes that an association--or some form of federalism--with the country it has thus helped "liberate" will enable it to face the future with a little more optimism. It remains to be seen whether Dakar's paratroopers will stay as long in Gambia as Dar-es-Salaam's soldiers in Uganda.

Most importantly, it remains to be seen whether Jawara will become like Obote: the continually challenged chief of state of an anarchic country. Obote himself had refused to come to London for the royal wedding. Out of fear of a coup....

The Senegalese Army

With a strength of 9,420 men, the Senegalese army is numerically the strongest force in francophone West Africa. The heir to the famous regiments of Senegalese sharpshooters of the colonial era, it is also one of the best structured and most highly experienced in the region. The ground forces (8,500 men) make up about 90 percent of the army. They consist of 5 infantry battalions, 1 engineering battalion, 1 training battalion, 1 reconnaissance squadron, 1 artillery battalion, as well as 4 companies of parachutists and commandos who provided the bulk of the intervention force sent to Gambia.

The navy and air force are insignificant (760 men in the first, 160 in the second). Despite relatively comfortable budgetary allotments ($612 million in 1980), the Senegalese army is poorly equipped in heavy equipment. It has neither battle tanks nor combat aircraft. Nevertheless, the infantry and reconnaissance units have about 60 light automatic M-3, M-10 and AML 60/90 machineguns and a dozen VXB 170 armored troops carriers. The artillery battalion has only 6 105-mm howitzers, a few 81-mm mortars and some 30 and 40-mm cannon. Equipped with 6 Fokker F-27's, 6 old Dakotas from the 1940's, 3 Alouette II helicopters, 2 Pumas, 1 Gazelle, and 2 Magister training aircraft, the Senegalese air force is of very limited effectiveness. It can carry out only transport or liaison missions. The navy is in somewhat better shape, with its 5 P-48 patrol boats and its 20 coast patrol craft. Insufficiently equipped to defend Senegalese territory (196,840 kilometers square), the army first intervened in Gambia last October to restore order. Four hundred Senegalese soldiers were flown to Banjul to lend a strong helping hand to the Field Force (500 men) and the Gambian police force (600 men). One week later the little expeditionary corps returned to Senegal, mission accomplished.

Several hours after the 30 July putsch, the Senegalese army intervened again in Gambia, to reestablish President Jawara who had been ousted by elements of his miniscule army. In addition to the airborne forces, it was also necessary this time to dispatch armored detachments to subdue the rebellion. This mission was relatively easy, but one wonders how all those Senegalese troops were transported by air. The dozen Fokkers and Dakotas of the Senegalese air force--even if they were all flyable (which is surely not the case)--could only transport around 400 para-commandos at a time. How then were the equipment and supplies needed from the first moments of the commandos intervention transported?

Golf and Cows

When I went into politics, I understood cows better than people," said President Dawda Kairaba Jawara in April 1977. After having won a new 5-year term as president of the republic, his party--the Progressive People's Party, PPP--had obtained 27 or 37 parliamentary seats in the legislative elections.

At age 57, this man said to be in poor health looks rather like an academic who has grown old in research. His sober bearing and his always wrinkled face behind the shell-frame glasses remind one in a way of the phlegmatic nature always attributed to the British. When he is in London, it is said, he is somewhat displeased to find that his ample, spotless tunics are out of step with the dress costumes being worn by others.

Born in the village of Baranjally, in the MacCarthy Island district, in Gambia, he comes from a Muslim family. Which did not prevent him from converting to Protestantism in order to become a Methodist and adopt the name David.

Then later he would come back to Islam by marrying two women and making a pilgrimage to Mecca. As a veterinarian trained in Glasgow, in Scotland, he was made the director of his country's national veterinary service by the British colonial administration.

In 1960, he embarked on his first political campaign by creating the PPP, which was established in the villages of the interior. As minister of national education under the British administration, he became the head of the (parliamentary) legislative council in 1962. In 1965, when Gambia became independent, he was named prime minister.

Sir Dawda Kairaba Jawara is given credit for considerable flexibility in political affairs. He had a new constitution adopted by referendum in 1970, announced that Gambia was now a republic, and became its first president. The same constitution provides for a parliamentary system and political pluralism. Now he must face growing opposition. "If there are African countries that can boast of oil or iron, Gambia can boast of having democracy," he loves to repeat to those who have doubts about the stability of his country. In the palace he now occupied in Banjul, which used to house the British governor, he plays golf and violin. Another of the president's hobbies: mowing the residence lawn himself.

9516
CSO: 4719/289

FRENCH OFFICIAL'S VISIT OPENS COOPERATION PROSPECTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866,14 Aug 81 pp 2109-2110

[Text] The official visit which has just been paid to Ghana by French Cooperation and Development Minister Jean-Pierre Cot, as part of his trip to Western and Central Africa, was locally considered to be an important event. We recall that Mr Francois Mitterrand himself had represented the French government during the festivities proclaiming the country's independence in March 1957. On the other hand it was noted that, in selecting Ghana as the second phase of his first trip to Africa, after Cameroon and before Senegal, Mr Jean-Pierre Cot tried to demonstrate the desire of the new French administration really to rearrange its cooperation with the entire black continent and not just with French-speaking Africa alone, going much further in this direction that the preceding administration. Mr Cot furthermore declared, the moment he arrived in Accra, that he would hereafter "systematically" visit a non-French-speaking country when he goes to Africa. "We must decolonize cooperation and take Africa as a whole, in terms of its unity. I will religiously visit one English-speaking country or one Portuguese-speaking country every time I go to Africa. Development has no specific frontiers," he declared.

Mr Jean-Pierre Cot also explained his presence in Ghana in the light of the fact that this country, in the eyes of France and numerous Africans, is a "symbol." "Ghana was the country of Kwame Nkrumah. For my generation, Nkrumah represented the aspirations for African unity and I believe that relations between France and Ghana are not sufficiently close," he added.

The French minister finally admitted that Ghana had "an important and varied development potential."

At the end of his visit, in the course of which he conferred with President Limann and other personalities, Mr Cot announced that France was ready to aid Ghana on specific projects and in medium-range terms to examine the prospects for the development of relations between the two countries.

France, he said, is in particular ready to participate in the modernization of the gold mine at Tarkwa and thus to help Ghana substantially increase its gold output. The latter, which currently comes to 6.5 tons per year--whereas it was 24 tons during the fifties--could come to 60 tons within 10 years and enable Ghana to become the world's third producer after South Africa (700 tons) and the Soviet Union (220 tons) which are sold in the West.

France, it was added in the minister's party, is also ready to participate in the construction of the dam at Bui, on the Black Volta, provided the Ghanaian authorities can also find other financing for this important project which has been estimated at $700 million. This dam is intended to complete the hydroelectric facilities on the White Volta and the Black Volta, thus permitting Ghana to export electricity to Ivory Coast, just as it is already supplying electricity to Togo and Benin, thus becoming the main supplier of hydroelectric energy in West Africa.

Finance finally could aid Ghana in industrialization projects involving rubber plantations as well as in the construction of a ship provisioning terminal at Tema.

Negotiations furthermore were opened in Accra on 11 August with the Total Company for possible off-shore petroleum prospecting.

On the other hand, the visit by Mr Jean-Pierre Cot to Accra at a moment when the EEC seems to be very much interested in Ghana, was also designed to permit--with the adoption of the new investment code--the partial restoration of confidence among foreign investors. COFACE (French Insurance Company for Foreign Trade) could thus resume its activities in Ghana in the near future.

Mr Jean-Pierre Cot, who was scheduled to leave Accra for Dakar in the evening of 10 August, finally noted that France somehow wanted to become the "moving force in European-African cooperation" and stressed the need for the West to step up its aid to the Third World. "International economic relations should increasingly be viewed along a North-South axis if the West wants to get out of the crisis," he emphasized.

5058
CSO:4719/327

MOZAMBIQUE

TRADE BALANCE FOR 1980 SHOWS DEFICIT

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866,14 Aug 81 p 2123

[Text] The Mozambican plan for 1980--which calls for a balance of trade deficit amounting to 11.62 million contos (1 conto = 1,000 meticals; 1 metical = 0.194 French Francs), resulting from exports--should come to 14.5 million contos as compared to imports estimated at 26.12 million contos.

The foreign trade figures definitely show an even greater deficit (16,702,000 contos). As a matter of fact, Mozambican exports during the year just ended, with 8,597,000 contos, represented only 59.3 percent of the plan target, whereas imports, with 25,299,000 contos, attained the targets to within almost 3 percent.

The details on exports are shown for the main strategic export products (with the exception of the following five: byproducts of petroleum, lumber, coal, cement, and tantalum) in Table 1, below, which enables us to compare the targets and the actual achievements in terms of quantities (Q = 1,000 tons) and values (V = 1,000 contos).

Table 1. Mozambique Exports

	Targets		Actual figures	
	Q	V	Q	V
Cashew nuts	22	1,870	15.6	2,102
Shrimp	10	2,150	5	1,029
Cotton	25	1,250	5.7	265
Sugar	123	1,230	63.8	797
Tea	18.2	637	23.4	677
Cashew balsam	8	280	2	60
Coprah	15	270	19.4	297
Molasses	90	225	42.5	115
Coprah oil	5	135	3.6	88
Cakes	25	125	14.1	60
Beans	10	110	0.8	10
Citrus fruits	16	96	14	84
Sisal	10	180	7	129

In 1980, as in 1979, Mozambique's chief customer, accounting for almost one quarter of the value of exports (23.5 percent in 1979 and 23.1 percent in 1980) was the

United States. There was a close rivalry between East Germany and the Netherlands between 1979 and 1980; the GDR, which had come in second last year (with 10.8 percent) occupied fourth place the preceding year with 8.1 percent; Holland, which had moved up to third place in 1980 (7.3 percent) also wound up in third place in 1979 (8.4 percent). Portugal became Mozambique's eighth-ranking client (4.6 percent) last year, whereas it was second during the preceding year. Going further back in time, to 1973, the last year for which we have complete statistics on the "colonial" era, we find that the sequence of Mozambique's customers was quite different: Portugal then held first place (35.6 percent), the United States was in second place (13.6 percent), and South Africa was third (9.3 percent); the latter country last year slipped to ninth place (4.3 percent), just ahead of Zimbabwe (2.9 percent).

Concerning imports by Mozambique in 1980, Table 2 shows details according to statistics furnished by the National Statistics Directorate at Maputo. The quantities (Q) are expressed in 1,000 tons and the values (V) are represented in 1,000 contos).

Table 2

	Q	V
Raw Materials		
Fish meal	9.8	188.7
Oil crops	1.2	39.9
Vegetable products	-	8.6
Sugar	0.6	8.9
Tobacco	0.3	16.8
Flour milling	13.6	198.2
Fats	4	95.7
Cocoa and derivative	-	9
Consumer Goods		
meat	4	205.7
Fish	36.5	386.8
Powdered milk	2.8	158.3
Miscellaneous animal products	1.1	76.3
Potatoes	11.4	100.9
Coffee	0.1	22
Wheat	194.4	1,020.6
Corn	178.8	969.7
Rice	91.9	1,130
Miscellaneous vegetable products	3.7	51.1
Canned products	1.2	30.7
Prepared baby food	1.1	67.3
Prepared horticultural products	0.2	9
Miscellaneous	0.2	29.3
Fish	3.3	89.7

Last year Brazil became Mozambique's first-ranking supplier with 7.8 percent of the amount in terms of Mozambique import values, followed by the GDR (6.8 percent), Iraq (5.5 percent), Portugal (4.7 percent), France (4.4 percent), Italy (4.2 percent), the United States (3.6 percent), Romania (3.6 percent), and Japan (3.3 percent). The year before, more than 40 percent of the value of Mozambique imports came from three countries: Iraq (17.6 percent), South Africa (14.3 percent), and GDR (9.6 percent), with France winding up in fifth place with 4.1 percent. In 1973, just two countries supplied something like 40 percent of the imports: South Africa with 20.3 percent and Portugal with 19.2 percent, while France at that time was in third place with 8.4 percent.

5058
CSO:4719/327

NIGER

BRIEFS

FINANCIAL BACKERS' DAM REPORT--The second meeting of the financial backers of the Kandadji dam was held 6-7 July 1981 in Paris (see MTM of 10 July, pl 1827). The following nations and institutions were represented at the meeting: the Canadian International Development Agency (ACDI); the Federal Republic of Germany (FRG); the Niger Basin Authority (ABN); the Arab Bank for African Economic Development (BADEA); the Islamic Development Bank (IDB); the World Bank (IBRD); Belgium; the Inter-State Committee To Fight the Drought in the Sahel (CILSS); the Sahel Club of the OECD [Organization for Economic Cooperation and Development]; the Commission of the European Communities--FED [European Development Fund]; the Government of the United States; France (FAC-CCCE) [Aid and Cooperation Fund-Central Fund for Economic Cooperation]; the Kuwaiti Fund for Economic Development; the OPEC [Organization of Petroleum Exporting Countries] Fund; the Republic of Niger; the Federal Republic of Nigeria; the United Nations Development Program (UNDP); and Switzerland. According to the final communique, after having heard the report by the committee of experts created by the conference on 16-17 February 1981 in Niamey and in support of the objectives of the Nigerien Government, the conference recognized that the construction of the Kandadji dam is a necessity for the Republic of Niger in its struggle for food self-sufficiency and the well-being of its people, and declared its support for the immediate construction of Kandadji in accordance with the factual conclusions of the corroborative studies whose conclusions, elaborated by the committee of experts, it endorsed. The participants agreed to send the Republic of Niger their commentaries on the detailed technical studies of the Kandadji dam, the environmental studies of the Kandadji dam, and the master plan for irrigation by 31 August 1981. [Text] [Paris MARCHES TROPICAUX ET MEDITERANEENS in French No 1866, 14 Aug 81 p 2108] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

APPROVAL OF COMPANIES--The Nigerien council of ministers on 30 July adopted three proposed decrees entitling three Nigerien industries to the benefits of the system of privileges in the investment code. These benefits were accorded to the Nigerien Match Company (SNA), the Nigerien Limestone Company (SONICHAUX), and UNCC [Niger Credit and Cooperation Union] for its units for manufacturing and maintaining agricultural equipment. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866, 14 Aug 81 p 2108] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

SONICHAR LOANS--Niger's council of ministers met 16 July and adopted a proposed ordinance authorizing the president of the Supreme Military Council and head of state to contract two loans totalling Fr 96 million with the Central Fund for Economic Cooperation (CCCE). These two loans, amounting to Fr CFA 4.8 billion, cover the financing of Niger's share in the augmentation of the capital of SONICHAR [Anou Araren Coal Company of Niger], as part of the financing of the second installment of its investment program. Regarding the budget, the council of ministers confirmed the accounts submitted for the year 1978, approved the adjustment of salaries of employees of the state as provided by law, in accordance with the various increases in the interoccupational guaranteed minimum wage which occurred in 1977 and 1979, and adopted the proposed decree concerning the budget of the National School of Administration (ENA) for the 1981 fiscal year. Modification of the statutes governing the National Social Security Fund (CNSS) and its operating regulations were discussed by the council of ministers. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1864, 31 Jul 81 p 1997] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9516

CSO: 4719/303

OIL PRODUCTION DECLINES; GOVERNMENT WANTS $40 PER BARREL

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866,14 Aug 81 p 2110

[Text] Nigerian oil production dropped again in July and according to sources in the industry in the Nigerian capital it averaged 850,000 barrels per day.

The steep decline of Nigerian production, the direct consequence of the glut in the world oil market, is beginning to have serious effects on the local economy. Oil in fact accounts for 95 percent of the country's foreign exchange earnings and 80 percent of the federal government's budget.

The situation, termed "serious" in Nigerian and Western financial circles, has entailed a revenue decline on the order of $3.3 billion during the first 6 months of the year, according to statistics put out in Lagos on 31 July. The shortfall represents about 13 percent of all oil revenue anticipated for 1981 ($24 billion).

Nigeria, which in July produced only 40 percent as much as it was producing at the beginning of the year (2 million barrels per day), has exported only 288 million barrels in the first 7 months [of the year], compared to the 403 million planned.

The loss of revenue is however less serious than it might have been. The budgetary projections were actually based on expected price per barrel of $36. Now since the beginning of the year a barrel has been worth $40, of which the government receives $38.90. This explains why the shortfall is only 3.3 billion instead of 5 billion.

In the month of July alone, it appears that Nigeria lost $37 million per day, and prospects for August were scarcely encouraging.

In fact, industrial sources believe production could fall as low as 750,000 barrels per day in August. It was down to 773,000 barrels per day on 3 August.

The situation would not be so serious, according to financial sources in the Nigerian capital, if Nigeria had not had to pay a monthly import bill on the order of $2 billion.

Observers point out, however, that considering the small amount of money Nigeria owes to external creditors, the authorities will easily be able to resort to loans to resolve the impasse.

Though the government has on several occasions denounced what it calls the "campaign orchestrated by the West" to force it to lower its selling price, and it has announced its firm determination to maintain its price of $40 per barrel, it certainly looks as if Nigeria has to follow the Algerian and Libyan lead and pull back the price to around $37. Saudi Arabia, meanwhile, will reportedly raise its price to $36 from the current $34, which would lead to a reunification of the selling price by producing member countries of OPEC. This development should be ratified at the special conference of the organization which is to be held in Vienna 19 August.

--President Shangari, at the inauguration of the new board of directors of the NNPC [Nigerian National Petroleum Company] on 8 August (see infra), emphasized the advantages he believes accure to all OPEC members from organizational unity and member solidarity. He asserted that Nigeria would continue to play a major role in the organization. Earlier, the head of state had mentioned the imperative necessity for the country to diversify its energy source.

9516
CSO: 4719/322

APPROVED FOR RELEASE: 2007/02/09: CIA-RDP82-00850R000400050028-2

NIGERIA

BRIEFS

PETROCHEMICAL DEVELOPMENT--The general manager of the engineering division of the Nigerian National Petroleum Company [NNPC], Mr Abioudun Kufeji, announced in July a three-stage development program for the state-owned petrochemical sector. This program is to be completed in 1990. The first and second stages are to consist of manufacturing of solvents and detergents by the Kaduna refinery, the manufacture of synthetic products (particularly polypropylene and black carbon for the tire industry, and also printer's ink) by the Warri refinery, and finally various chemical products. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866,14 Aug 81 p 2110] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

COOPERATION WITH GDR--The Nigerian federal minister for steel industry development, Mr Mallan Ali Makele, made a visit to the German Democratic Republic [GDR] in early August and held talks with the East German minister of machine industries, Mr Rudi Georgi. The latter declared that his country was ready to support the implementation of Nigeria's fourth development plan. The two ministers also discussed the possibilities of increased bilateral cooperation in the economic, technical, and scientific sectors. Before going to the GDR, Makele made a 48-hour visit to Moscow, where he was received by the first vice-president of the USSR council of ministers, Ivan Arkhipov. No specifics were given regarding the tenor of the talks between the two officials. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866,14 Aug 81 p 2111] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

CSO: 4719/322

SAO TOME AND PRINCIPE

FRENCH AID PROJECTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866,14 Aug 81 p 2114

[Text] French aid to the Democratic Republic of Sao Tome and Principe in 1981 was expressed by the signing last April of three financing agreements involving a total amount of Fr 6.48 million in subsidies from the FAC [Aid and Cooperation Fund].

The first agreement, involving Fr 3.1 million (first section) is intended for a foodstuff cultivation development project.

The second agreement, involving an amount of Fr 1.08 million will permit the creation, on the one hand, of a furniture and small school equipment production workshop and, on the other hand, a teaching document reproduction unit.

The third agreement, involving an amount of Fr 2.3 million (first section) involves the construction of a polytechnical center for vocational training.

The construction of buildings provided for three projects as well as premises for the cooperation mission were covered in a separate protocol.

5058
CSO:4719/327

SENEGAL

PREMIER THIAM'S REQUEST TO FRANCE FOR AID

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French [no issue given]
26 Jun 81 pp 1708-1709

[Text] Upon the invitation of [France's] Prime Minister Pierre Mauroy, Mr Habib Thiam, prime minister of Senegal, stayed in Paris 14 through 20 June 1981 on a working visit during which he was welcomed by President Francois Mitterrand of the French Republic, to whom he delivered a personal message from President Abdou Diouf.

During that visit, Mr Thiam was also greeted by Messrs Claude Cheysson, minister of foreign affairs; Jacques Delors, minister of economy and finance; Jean Laurain, minister of veteran affairs, and Jean-Pierre Cot, secretary of state to the minister of foreign affairs, in charge of cooperation and development.

That visit made it possible to further strengthen the very close ties of friendship and cooperation that have traditionally linked France and Senegal. French authorities took this opportunity to reaffirm their intent to respect the commitments made earlier, and also to renew and reinforce their plan of action on behalf of Third World countries.

As noted in their joint release, the two prime ministers studied French-Senegalese relations as a whole. Mr Habib Thiam brought up the problems currently plaguing Senegal due to the deterioration of the exchange rate, the disastrous peanut harvest and the rise in the cost of energy, all factors which jeopardize the financial balance and the recovery effort undertaken by the Senegalese Government. He estimated the amount of outside financing the Republic of Senegal will seek to get through this difficult spot and expressed a wish that, out of this financing, France might assume 30 billion CFA francs on account in various forms (loans, discounts and subsidies).

Mr Pierre Mauroy told Mr Habib Thiam that the French Government would respect the commitments resulting from French-Senegalese friendship and would, by the end of July, assure him of a financial contribution that would enable him to face the problems of the economic situation. The details of that contribution will be determined based on the conclusions of a French mission that will go to Dakar in July.

For its part, the French side duly noted the negotiations that are soon to take place with the International Monetary Fund, as well as the joint plan that may involve other associates of Senegal. The French expressed interest in having the

Senegalese open talks to refinance their debt within the framework of the "Paris Club."

11936
CSO: 4719/103

SENEGAL

DATA ON RND, FIFTH LEGAL POLITICAL PARTY

Paris JEUNE AFRIQUE in French No 1969,1 Jul 81 p 15

[Text] On 19 June, The RND [Democratic National Rally] became Senegal's fifth legal political party after Mr Medoune Fall, minister of the interior, signed the declaration of recognition filed on 27 April by the party's secretary general, the egyptologist Cheikh Anta Diop.

The RND, which was in fact founded on 3 February 1976, is the first party to take advantage of this democratic opening-up, whose principle had been adopted by the National Assembly on 24 April (J.A. n° 1061). This unlimited multi-party system may first of all benefit the Socialist Party (PS), now is power, which will henceforth be credited with having played the democratic game to the end. "The government understood where its best interest lay and acted accordingly," Cheikh Anta Diop acknowledges, "but it also had to consider the will of the people. Whatever its purpose, only the end result matters. The multi-party system will not fragment the opposition."

The RND's political bureau will convene on 12 July for the purpose of defining its game plan. Some 100,000 cards have been printed. The party adopted gold for its color, viewing it as a symbol of purity, serenity and discipline.

The RND enjoys a wide audience, since the other parties, whether legal or not yet recognized, are often no more than mini-groups--except for its rival in the opposition, the PDS or Senegalese Democratic Party. This is the case with the five parties that have applied for recognition: Mamadou Dia's "Mouvement Democratique et populaire" [Democratic and Popular Movement], "le Parti de l'independance et du travail" [Independence and Labor Party] (Pro-Soviet Marxist), "la Ligue democratique" [Democratic League] (independent Marxist), "le Mouvement revolutionnaire pour la democratie nouvelle" [Revolutionary Movement for a New Democracy (left-wing) and "le Parti populaire senegalais" [Senegalese People's Party], whose orientation is still unknown.

11936
CSO: 4719/103

SENEGAL

REPORT ON IMPLEMENTATION OF FIFTH DEVELOPMENT PLAN

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1864,31 Jul 81 pp 1992, 1993

[Article--passages enclosed in slantlines printed in boldface]

[Text] The Senegalese minister of planning and cooperation recently published his report on progress in implementation midway through Senegal's 5th economic and social development plan, which covers the period July 1977-June 1981.

After the first 2 and ½ years of activity, implementation of the plan was 45 percent complete, and ultimately the plan is expected to reach 70 to 75 percent of its /overall targets/. The volume of financing acquired so far is equal to Fr CFA 335 billion in current money, or 88 percent of the amount initially projected.

During 1979, /investments/ totalled Fr CFA 71 billion; for the year 1980, the volume was Fr CFA 92.9 billion (Fr CFA 84.5 billion in constant 1979 money). At the end of 1980, the /cumulative total of investment/ since implementation of the 5th plan began was Fr CFA 265.3 billion, the amounts spent and the rate of completion by sectors being as follows, expressed in Fr CFA billions and in percentages:

Sectors:	Fr CFA Billions	Percent
Primary	52.1	58.7
Secondary	77.1	78.8
Tertiary	79.1	89.1
Quaternary (social)	57.0	52.8
Total	265.3	69.2

Since its implementation, the 5th plan has undergone several modifications and reprogrammings of investment.

On 1 January 1980, the development package looked like this in terms of billions of Fr CFA after adjustment:

/Primary Sector/	/87.6/
Agriculture	50.8
Stock Raising	8.1
Waters and Forests	4.7
Fishing	16.9
Rural water supplies	7.1
/Secondary Sector/	/97.9/
Energy	18.4
Industry	77.9
Handicrafts	1.6
/Tertiary Sector/	/88.8/
Tourism	15.2
Commerce	1.2
Roads and road transport	42.6
Railroads	3.2
Ports, maritime and river transport	8.5
Airports, air transport	5.1
Telecommunications	13.0
/Quaternary Sector/	/107.9/
Education, higher education	245 [sic]
Personal development	5.5
Culture	1.6
Urban development, housing	22.3
Urban water supply, sanitation	21.3
Health	8.8
Information	1.2
Youth and sports	4.3
Administrative infrastructure	7.5
Studies and Research	10.9
/Overall Total/	/382.2/

Development Goals

All the sub-sectors of /rural development/, except for fishing, are expected to achieve 60 to 70 percent completion by the end of the 5th plan. Two-thirds of the resources are dedicated to the agricultural sub-sector, with the building of villages and irrigation dams. Intensification of agricultural production and grain diversfication have been turned over to state companies specialized by region and specific function.

In terms of /economic infrastructure,/ /transport/ and /telecommunications/ have achieved the highest rate of completion. Despite a slowing down of start-ups in 1980, the work done on extending the improving the /road infrastructure/ during the plan has succeeded in ending Casamance's isolation. With respect to /energy/, the Kaolack electric generating plant received its first financing installment. Expansion of the project depends on completion of the /Kaolack Textile Company/ unit; the utilization of solar energy was begun with the emplacement of solar cells.

In /industry,/ 80 percent of the financing called for in the amended plan has been obtained. The most recent campaign to verify the /Faleme iron ore/ deposits, financed by the /European Investment Bank,/ is nearing completion; the proposed project would involve the exploitation of 12 million tons per year of oxidized ores, over an approximate 25-year period, and in addition the reserves would [be sufficient to] make possible the extraction and processing of magnetic ore.

The /World Bank/ is financing follow-up studies of the /Dome-Flore/ /oil deposit/ with the aim of determining the possibility of exploiting the heavy oil deposit. Financing is being sought for the construction of a pilot unit to turn the /aluminum phosphate at Thies/ into phosphoric acid (a consortium has been created with the participation of /Rhone-Poulenc/). Financing for the renovation of the /oil-works/ at Ziguinchor has been obtained. The basic capital and long-term financing of /Senegalese Chemical Industries/ (ICS) has been obtained. Construction of the new /cement-works/ at Pout has drawn offers from a French and a Spanish group. The equipping of /Dakar-Marine/ has been completed. Actual implementation of the /packing project/ is running into several problems. In all, the financing of the social and administrative investments has gone smoothly.

The regional distribution of the investments called for in the 5th plan is as follows, in billions of FR CFA:

Cap-Vert	127.9
Casamance	38.6
Diourbel	18.1
Fleuve	48.3
Louga	9.6
Eastern Senegal	24.2
Sine-Saloum	35.8
Thies	45.3
Local and community projects	15.4
/Total/	/363.2/

/Financial Resources/

As of 1 January 1980, the /volume of financing obtained/ was Fr CFA 335 billion, including 91 billion from domestic sources and 244 billion from external sources. Of the /domestic financing,/ 11.6 percent comes from state contributions, which are principally dedicated to the building of administrative infrastructure, road programs, and the improvement of agriculture and stock raising. An additional 15.6 percent has been provided by para-statal enterprises (FR CFA 31 billion), banks, and the Senegalese private sector (21 billion), and is oriented toward agriculture, mineral extraction, industry, tourism, and telecommunications.

Of the /external financing,/ 53.8 percent comes from the public funds of bilateral and multilateral organizations, and is focused primarily on primary sector development. In addition, 18.9 percent has been obtained by external private sector loans, bank credits, or from suppliers, and is distributed between industry (Fr CFA 11.2 billion), energy (5 billion), tourism and hotel industry (2.4 billion); a large portion of these resources correspondent to prefinancing or bank loans solicited for the completion of road programs (21.9 billion) or social infrastructure (8.5 billion).

As of 1 January 1980, the total financing being utilized came from the following sources, by Fr CFA billions:

National infrastructure budget	24.7
Para-statal sector	19.1
Senegalses citizens and banks	16.2
Foreign firms and banks	59.5
World Bank and IDA [International Development Association]	13.5
European Fund and European Investment Bank	10.9
African Development Bank and African Fund	4.6
Arab sources (OPEC and investment bodies)	1.5
Miscellaneous multilateral sources	1.9
West Germany	4.9
Canada	5.5
United States	4.0
France	20.5
Miscellaneous bilateral sources	17.6
/Total/	/204.4/

Resources shown as coming from the EEC [European Economic Community] do not include allocations under the rubric of export price stabilization (the STABEX process); France's aid includes loans from the CCCE [Central Fund for Economic Cooperation] and the subsidies from the FAC [Aid and Cooperation Fund].

Miscellaneous bilateral sources include Poland, Denmark, Spain, Japan, the Netherlands, and others.

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SENEGAL

BRIEFS

FRENCH MINISTER'S VISIT--Jean-Pierre Cot, the French Minister of cooperation and development, visited Senegal 11-14 August in the first trip taken by a member of the French Government since the accession of the Socialist Party [PS] to power in France. Senegal has always had good relations with each French government in turn, but the PS in Senegal has special ties with the French Socialist Party which sponsored it for membership in the Socialist International. The talks focused on questions of bilateral cooperation between the two states, because of the especially difficult economic circumstances Senegal is facing. We recall that in 1980 France contributed Fr CFA 31.5 billion in special assistance to Senegal's recovery plan, which brought French aid last year to a total of 62 billion. France has 1,443 technical advisers in Senegal this year (compared to 1,558 in 1980), including 1,157 teachers. [Excerpts] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866, 14 Aug 81 p 2105] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

MRS POSITION ON GAMBIA--The Senegalese Republican Movement [MRS], a conservative opposition party, proposes that Senegal begin negotiations immediately with Gambia on achieving a political unification of the two states, with procedures and conditions to be determined. According to MRS, Gambia is unable to provide for its own security and the Senegalese army is likely to have to remain there and become an "occupation army," or else withdraw with the certainty of an eventual return. All of the other Senegalese opposition parties declared themselves opposed to the intervention in Gambia on principle (see elsewhere, under the heading Gambia, the aftermath of the recent incidents, resulting from an attempted coup.) [Excerpts] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866, 14 Aug 81 p 2105] [COPYRIGHT: Rene Moreux et Cie Paris 1981] 9516

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TANZANIA

FINANCE MINISTER PRESENTS 1981-1982 BUDGETARY ESTIMATES

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1859, 26 Jun 81 pp 1724, 1725

[Article: "The 1981-1982 Budget: 18.8 Billion Shillings Government Workers' Salary Raise"]

[Excerpt] On 18 June, Mr Amir Jamal, Tanzania's finance minister, gave the Dar-es-Salaam National Assembly the budgetary projections for the year starting next 1 July.

The minister proposed total expenditures of 18.82 billion Tanzanian shillings, including 12.2 billion for operating expenses and a 6.62 billion budget for development.

Operating expenses will be thus divided: 1.59 billion for the Consolidated Fund Services, 5.51 billion for the ministers, 2.62 billion for for regions and 2.47 billion for "special expenditures."

Revenue in the amount of 9.08 billion shillings (as compared to 8.61 billion in 1980-81) will be derived from directly or indirectly levied taxes. The government also intends to obtain 3.89 billion in gifts and loans as well as 1.6 billion under the heading of aid to importation. Eight hundred million will be obtained from non-banking institutions.

Mr Jamal, who believes that the state's indebtedness for this fiscal year should not exceed 2.85 billion, will, in his effort to insure a balanced budget, try to raise 600 million shillings through new taxes.

Thus import duty will go from 15 to 20 percent for everyday products, from 50 to 60 percent for "semi-luxury" goods and from 100 to 120 percent for "luxury" goods. Also, items that had been exempted from import duty until 1979-1980 and then subjected to a 5 percent value-added tax last year, will have that tax raised to 15 percent starting 1 July. Products involving technical assistance projects will be exempted from it. On the other hand, indirect taxes on beer, cigarettes, non-alcoholic beverages and wines (100 percent) will be raised. Other steps (indirect taxation of rentals and services and a better tax collection method) should help obtain the desired funds.

Despite the financial problems afflicting the government, the budget will be a "people's" budget. It has been decided, starting 1 July, to raise the minimum monthly salary for government service to 600 shillings, compared to 480 previously (a 25 percent increase). Other civil service salaries will only have a 20 percent increase. That step will cost the Treasury some 600 million shillings.

Also, to reduce expenditures, the government will embark upon a review of the country's needs regarding fertilizer (currently in the amount of 152 million shillings annually). Similarly, state subsidies designed to support certain items will disappear or be greatly reduced; effective immediately, corn flour ("sembe") will go from 1/25 shillings to 2/50 shillings per kilo while the National Milling Corporation (NMC) has estimated that its price throughout the national territory should be 3/30 shillings per kilo in order to be realistic.

Balance Sheet for 1980-1981

Contrary to the 9.34 billion shillings projected, regular expenses for the 1980-1981 year should be 9.98 billion. On the other hand, revenue should not exceed 8.61 billion, as opposed to the 9.01 billion expected. Thus, according to Mr Amir Jamal, the operating budget deficit will be 1.37 billion shillings.

The increase in expenditures results, among other factors, from the costs of having troops stationed in Uganda and from the increase stemming from an improved police organization on the national level.

According to the minister, arrears of payment on goods or services already obtained have reached 2.6 billion shillings. In addition, Mr Jamal gave details on the status of the following companies and organizations:

--Bank of Tanzania (central bank): Critical currency shortage.

--National Bank of Commerce: Problems in financing crops, also in commercial transactions with foreign countries.

--Tanzania Rural Development Bank: Difficulties, particularly in collecting debts (90 million shillings owed by Tanganyika Packers Ltd, Tanzania Cotton Authority, Tobacco Authority of Tanzania and Tanzania Tea Authority), and a need to review management at every level. The bank's statutes need to be amended so that it might be associated with rural cooperatives.

--Tanzania Investment Bank: Despite the change in leadership, has continued to play its part with industrialists.

--Tanzania Housing Bank: Reorganization is under way, with addition of qualified personnel.

--National Insurance Corporation: Activities are being developed during the current year. Gross income from insurance premiums went from 329.1 million shillings in 1979 to 417 million in 1980.

--Tanganyika Development Finance Company: Decrease of 44 percent in 1980 in total loans (81 [loans] or 65.1 million shillings, as compared to 83 in 1979, or 117.5 million).

--Post Office Savings Bank: 566,300 deposits in 137 agencies by the end of 1980, compared to 507,600 one year before. Deposits amounted to 222 million shillings in 1980.

--Tanzania Audit Corporation: In 1979-1980, this corporation audited 239 balance sheets for quasi-governmental companies. More than 100 of these were behind in their accounting. Out of 239 documents examined, 76 were approved, 103 were given specific criticism, 37 were behind in their accounting. Out of 239 documents examined, 76 were approved, 103 were given specific criticism, 37 were rejected and 23 could not be judged.

--National State Lottery: It continued its development in 1980-81 (Mwanza, Shinyanga, Mara and Kagera).

--National Provident Fund: As of 31 March 1981, the Fund had acquired 124 million shillings' worth of state bonds.

The finance minister also noted that the Tanzania Railways Corporation had not been able to settle its debts inherited from the East African Community. The corporation will have to reimburse 35 million shillings in 1981-1982. Air Tanzania Corporation also has "critical financial problems due to grave errors of judgment on the part of its management." It will have to pay at least 160 million shillings. The other quasi-governmental companies asking to receive government help for rehabilitation are the tobacco and cotton "authorities", the District Development Corporations, Tanzania Fertiliser Company, the UDA [expansion unknown] and Kamata.

The IMF and Tanzania

In his budget presentation speech, Mr Jamal also discussed at length relations between Tanzania and the IMF [International Monetary Fund]. He recalled that in 1980 an agreement had been concluded to grant Tanzania 1.92 billion shillings, in eight successive withdrawals staggered over 2 years.

"In fact," the minister said, "we were able to draw 268.5 million shillings for the first quarter of 1980" or 247 million, taking into account the reimbursement of previous withdrawals."

Mr Jamal also declared that the Tanzania Government could not continue to draw from the IMF because it had reached its debt ceiling with the banking system and could not reduce its arrears of payment on foreign transactions to 1.96 billion shillings by 31 October 1980, a figure that had been set by mutual agreement. This was due to the fact that it had unexpectedly been unable to obtain additional loans from the World Bank and other organizations.

The minister declared that he "was concerned with the rigidity of the IMF system" and that "developing countries, particularly the less developed ones such as Tanzania [....] are entitled to receive adequate and urgent resources from IMF [....]"

Mr Jamal announced that the government was involved in negotiations with the IMF for the purpose of reaching an agreement for a loan on the grounds of a broadening of terms. The minister is relying on this financial contribution to be able to fight inflation and give Tanzania's economy a shot in the arm.

IMF Aid to the Balance of Payments

The International Monetary Fund has approved a Tanzanian Government purchase equivalent to 15.9 million in [Special Drawing Rights]. This purchase is being made on the grounds of the compensatory financing mechanism and is linked with an export deficit for the 12 months that ended in June 1981.

Tanzania's situation regarding foreign payments is currently being subjected to strong pressures, according to a recent IMF release. In 1980, the deficit for regular transactions reached 455 million SDRs, an increase of 190 million SDRs, and the overall deficit in the balance of payments went from 42 million SDRs the previous year to 129 million SDRs. By the end of 1980, gross international reserves had fallen to the equivalent of less than 2 months of imports in 1980, while arrears in foreign payments had risen sharply. Income from exports for the year ending in June 1981 are, according to estimates, 9 percent lower than last year's. This deficit may be attributed essentially to a decrease in revenue from coffee, which is the nation's main export [item]. Reduced receipts from tobacco, cotton, tea and manufactured goods are also responsible for the deficit.

Tanzania's share in the IMF amounts to 82.5 million SDRs and the financial obligations it has incurred to the Fund by reason of previous operations are equal to 79.7 million SDRs.

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CSO: 4719/108

TANZANIA

BRIEFS

OCCUPATIONAL TRAINING CENTERS--The Tanzanian minister of labor and social welfare, Mr Alfred Tandau, recently told Parliament in Dar-es Salaam that the government expected to establish an occupational training school in every district of the country as part of a 20-year development plan. According to the minister, the country needs to train 5,000 technicians per year for industry and village activities, but with present resources only 2,000 can be trained. Three occupational training centers are under construction, at Moshi, Dodoma, and Mbeya. The only ones already in existence are at Dar-es-Salaam and Tanga. Two centers will be built at Lindi and Tabora when funds are available. An occupational training institute capable of handling 160 students will be built at Morogoro and is expected to become operational in 1984/1985. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866,14 Aug 81 p 2118] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9516

CSO: 4719/303

UGANDA

DECLINE IN RESOURCES DETAILED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1866, 14 Aug 81 pp 2087-2088

[Article: "A Wealth to Reestablish"]

[Text] Well positioned between the two great rifts of East Africa, the Ugandan plateau stretches in a half-circle around Lake Victoria, between the high summit of Ruwenzori on the west and the extinct volcano Elgon in the east. This mild-temperatured equatorial region enjoys--except for the southern fringes--exceptionally good agricultural conditions. Choice land for coffee, cotton, tea...not to mention the whole gamut of food crops. Uganda also has an enviable amount of hydroelectric potential which has spurred various industrial projects, and also has some mineral wealth. To make this whole harmonious and balanced picture even more attractive, one might say, of the grandiose sites, eminently suitable for quality tourism dot the landscape.

The only cloud on this otherwise perfectly brilliant horizon is the country's distance from the sea. More than 1,200 km separate the capital, Kampala, from the Kenyan port of Mombasa. But the railroad in the time of the East African Railways made possible relatively smooth commerce with the outside world. So what used to be called the "pearl of the British empire" appeared, on the eve of independence in 1962, well positioned for gradual and painless development.

But within 8 years, between February 1971 and April 1979, Uganda was drained of its substance by a bloody dictatorship. The economic structures of a fertile and rich country were decimated by brutal and incoherent decisions, for instance the 1972 expulsion of 80,000 Asians, the majority of whom were Hindus and Pakistanis, who in fact held the keys to commerce and industry. Tanzania's 1979 intervention overthrew the regime, but at the cost of a very expensive war of "liberation." A prolonged drought, followed by famine in the northern provinces, the Karamoja country, added a further tragic note--if one were needed--to this whole series of events.

People have talked of the "economic miracle" of the Ivory Coast. How should one then describe the opposite, which has happened in Uganda? A nightmare, an economic disaster, a Calvary...In any case, this country would probably not be among the most desperately poor countries if the respectable doctrine of non-intervention had not congealed into rigid non-assistance, which was the harsh conclusion of an inflexible formalism. But the economy is concerned more about the members than about the individuals who for a time abused them; so first of all let us see where Uganda is now. Getting a grasp of the situation will help us better to understand the efforts needed to insure that the 10-year plan for rebuilding and development, analyzed below, is carried out and is capable of helping the country get out of its present morass.

A Sudden Decline

Even going strictly by the macroeconomic figures, one gets an idea of the gap which separates 1971 from 1980.

In 1980, the GDP in real terms was no more than 60 percent of the 1981 level. The GDP per capita has of course experienced the same development. Between 1975 and 1980 it declined 4 percent, and in 1980 it was estimated at 450 Ugandan shillings ($1 = 7.4 Ugandan shillings).

The change took place in several stages. Between 1962 and 1971, one notes an increase of 4.33 percent per year (in real terms) in the GDP. Then between 1971 and 1980, after a 2-year period of stagnation, it declined 3.63 percent per year. During the same period, the extremely high rate of demographic growth (3.5 percent)* declined in fact to 77 percent of the rate of growth in the years that followed independence, but was another factor in reinforcing the rate of decline in the bad years. The performance of various agricultural products is even more revealing. Coffee, the mainstay of the economy, went from 250,000 tons in 1969 to 103,000 tons in 1979. Cotton, which averaged 427,000 bales between 1968 and 1973, yielded no more than 15,000 bales in 1980. And tea finally collapsed down to 2,000 tons in 1980, while in 1973 it was still 23,000 tons.

Once the country used to produce enough food for its own needs; now it has to import grain. Millet production went from 783,000 tons in 1970 to 450,000 tons in 1980.

The industrial decline is equally spectacular: 205,000 tons of cement in 1971, 8,000 tons in 1980; 50,000 square meters of cloth in 1971, 15,000 in 1980; 16,000 tons of copper in 1966, 2,300 tons in 1977, nothing at all now. Most industries shut down for lack of raw materials, capital, or quite simply skilled manpower.

Obviously, therefore, Uganda's balance of trade, on which it used to pride itself, no longer cuts a pretty figure. By 1978, coffee alone accounted for virtually all export earnings (93.3 percent), whereas in 1966 coffee, cotton, tobacco, and tea together only accounted for 80 percent of export earnings. The trade balance started going into the red in 1971, except for a brief comeback in 1977 following a peak in the coffee market. but that did not last. While exports were sufficient to cover 94 percent of imports in 1971, the rate of coverage was only 53 percent by 1975. Under these conditions, the current balance of payments also went into

*Current population: 12.5 million; 25 million in the year 2000.

deficit. It was necessary to resort to foreign aid, which was doled out very parsimoniously to the unsavory regime. With the budget in deficit, an external debt on which it was no longer paying interest, increasing costs for oil, and finally three-digit inflation, the picture as a whole was scarcely such as to inspire optimism.

Getting the Country Moving Again

A very detailed plan for the decade has been drawn up. It is planned, first of all, that over the next 2 years the GDP (in 1966 terms) should rise 10 percent per year, from 5,856 million Ugandan shillings* or $791.4 million, to 6,971 million shillings or $942 million. This would still leave the GDP at a level 8 percent lower than was estimated for 1972. As for the GDP per capita, it should increase, according to projections, by 12.2 percent from 451 to 506 Ugandan shillings. Subsequently, a rate of 7.8 percent per year is envisaged for the rest of the decade. The GDP per capita should thereby reach 625 shillings in 1990.

Let us now look at the objectives and plans in each sector.

The Ugandan authorities have decided that the main efforts to redress the situation should be focused, first of all, on the rural sector and on transport. This is indeed the key to recovery. First of all to satisfy the most immediate needs of the population, and then to be able to "trade" with the outside: such are the imperatives on which at least initially a serious economic comeback must be based.

Agricultural Sector (more than 50 percent of the GDP)

The emphasis is put on food crops so as to provide food self-sufficiency as was done in the past. Uganda has recently received in assistance from around the world: 26,000 tons of corn, 10,000 tons of rice, and 3,000 tons of sugar. Drought, and the aftermath of war, require it to make still further appeals for external assistance. That does not of course exclude cash crops from the plans. Here are the projections in that domain:

Coffee: 105,000 tons (present), 166,000 tons in 1985, 250,000 tons in 1990.

Tea: 32,000 tons in 1990.

Sugar: 110,000 tons in 1990.

Sorghum: 920,000 tons in 1990.

Corn: 1,200 tons in 1990.

Thus one can see that diversification is preserved. Several specific projects in this field will better illustrate our remarks:

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* Current estimate of unknown reliability

--Plan for Development of Rice Cultivation. Studies have shown that irrigation over an area of 188,000 hectares would be possible, particularly in the Doha and Kebimba regions. In fact, a start had already been made with Chinese assistance. This poject should be resurrected in its totality.

--Wheat. Production to be enhanced, with the goal of being able to produce 30,000 tons per year. Saudi Arabia is reportedly ready to provide financial support.

--Agricultural development in the Karamoja area, (where the drought hit so hard).

--Cultivation of citrus fruits in the Teso. Pilot project of 1,000 hectares.

--Re-opening of the agricultural colleges, and the District Farm Institutes.

--Mechanization will be reorganized, especially the plough and tractor-renting service. In that connection, it is noteworthy that, unlike other African countries, farmers in Uganda have long accepted the use of agricultural implements. As early as 1937 in the Teso country, north of Lake Kioga, 15,000 ploughs were being utilized.

--Research will also be intensified. Three research centers already exist at Kawanda, Namulongo, and Serere, and they will be supplemented by 60 subsidiary centers.

Stock-Raising. Fishing. Forests.

As in other regions of Africa, stock raising plays more of a social than an economic role. One could say that the stock animals were the object of little care but strong feeling. Moreover, more concerned with possession than with profits, the stockmen are unenthusiastic about selling. Nothing has changed! The problem, above all, in hard times, is to move from neglectful stock-raising to productive stock-raising. The planners are going to try to accomplish this. Presently there are about 4.5 million head of cattle, 2 million caprines, and 1 million sheep. The main objectives are to double beef production and increase milk production. The government has just negotiated a loan with Kuwait for the establishment of 140 ranches.

--As for fishing (lakes and marshes), which amounted to 139,000 tons in 1970, a tonnage of 300,000 is predicted in 1990, with the help of assistance to this sector.

--The forests, situated primarily in the western part of the country, extend over 1.5 million hectares. Because of uncontrolled utilization (wood for heating), they have deteriorated. The initial scope of the program is for the re-forestation of 7,000 hectares.

Transport Sector

A land-locked country, Uganda has an imperative need for reliable communications with the outside.

APPROVED FOR RELEASE: 2007/02/09: CIA-RDP82-00850R000400050028-2

--Railroads. The Mombasa-Kampala line is essential. But it is in poor condition, slow, and often interrupted by technical problems. The rolling stock is virtually worn out. Since the disappearance in 1977 of the East African Community, a number of common services, such as the railroads, have been dissolved, and each country (Kenya, Tanzania, and Uganda) has seen its freedom--or rather, its problems--multiplied by a factor of three, to such a point that at present Ugandan authorities are seriously considering rail service through Tanzania to the port of Tanga.

--Roads. Incontestably, the roads presently have to make up for the deficiency of the rail system. But road transport is 25 percent more costly, and the fleet of trucks has declined by 50 percent because of events. The poor conditions on the causeways increase the price per kilometer. The "transafrican" highway (Ugandan section) is in theory asphalted, but many segments need to be redone. The program calls for this.

--Air. If there had been no airplanes, thousands of tons of coffee could not have been exported, for ultimately air transport is the means of last resort. Mombasa congested, the railroad unreliable, road transport uncertain: nothing to do but put the freight on a plane...when the merchandise is valuable, like coffee or tea. The Entebbe airport will be modernized and the Uganda Airlines fleet built up.

Other projects concern getting industry back on its feet (textiles, metallurgy, food products, etc.), and exploration and evaluation of underground resources (iron ore, cobalt, tin, etc.)

Foreign Aid and Regional Cooperation

External assistance on the order of $4.5 billion would be needed for Uganda to be able to carry out its recovery and development plan. With support, assuming there is the desire to provide it, this country has every chance of rebuilding a prosperity that temporarily was eclipsed. Also, its relations with its immediate neighbors will have to feature cooperative agreements in a number of domains. The East African Community has not existed since 1977, and that is a fact. But, at bottom, it is more necessary than ever now to re-create among the countries of that region trade flows which from time immemorial have been engraved in their geography and their economies.

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CSO: 4719/320

UGANDA

BRIEFS

RAILROAD LINE CUT--It was learned 22 July in Kampala that the railroad line connecting Kampala with the Kenyan port of Mombasa was cut following a bomb attack the night of 19-20 July. The incident was confirmed by a spokesman for Ugandan Railways who however was unable to give any details about the attack. According to sources close to Ugandan Railways management, a bridge was blown up between the town of Mukono and the village of Seeta, east of Kampala. The spokesman did not say how long it would take to make repairs. The attack put a stop to exports of Ugandan coffee, which normally transit via the po·· of Mombasa, the Ugandan economy's only outlet to the sea. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1864,31 Jul 81 p 2006] [COPYRIGHT: Rene Moreux et Cie Paris 1981.] 9516

CSO: 4719/320

ZAMBIA

SURVEY OF ECONOMIC CONDITIONS IN 1980 AS COMPARED WITH 1979

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1859, 26 Jun 81 pp 1725, 1726

[Text] We mentioned in our issue of 19 June that the International Monetary Fund (IMF) was willing to support the Zambian Government's economic recovery effort. To these indications let us add that the progression of the Zambian gross national product [GNP] is reported, according to the latest available figures, to be of 1.35 billion kwachas in 1980 as compared to 1.34 billion in 1979 and 1.5 billion in 1976.

The part played by mining production in the gross national product was reduced to the [market] costs: 396 million kwachas in 1980, as compared to 503.2 million in 1976, while the parts played by the manufacturing industry and agriculture were stagnating. While the actual GNP has continued to decrease, the demographic increase is reported to be 3.2 percent a year and the exodus from the countryside is reaching very alarming porportions.

The national debt has increased considerably in recent years. Foreign indebtedness was 766.2 million kwachas in 1979 (65.9 percent of total indebtedness) while exports amounted to 1.09 billion kwachas.

The balance of trade showed a surplus in 1980, with 1.1 billion kwachas' worth of exports and 860 million in imports (surplus: 244 million kwachas), but current-account figures for the balance of payments show a 119.4 million kwachas deficit, as compared to a 198.3 million kwachas deficit in 1979.

OBCE [Belgian Office of Foreign Trade] recently studied Zambia's economic achievements, more particularly mining, its main economic activity. In 1980, copper production amounted to 624,000 tons as compared to 578,000 tons in 1979. Sales of 607,000 tons resulted, with an income of 1.2 billion kwachas, as opposed to 1.1 billion in 1979. The average annual rate of 949 pounds a ton may be qualified as very satisfactory. The two main producers, Nchanga Consolidated Copper Mines (NCCM) and Roan Consolidated Mines (RCM) made profits, before taxes, of 86.2 million kwachas and 77.1 million, respectively.

With regard to cobalt, 3,293 tons were produced in 1980, or as much as in 1979 (3,271 tons) but only 1,903 tons were sold. "We should add, however, that, hoping to have the price of this metal go higher, Zambia had stockpiled sizable quantities of it. Since the average price of cobalt remained nearly stationary at U.S.$24.90/lb throughout the year, the operation set up by the Zambians is in danger of having disastrous results," OBCE notes in its newsletter INFORMATIONS DU COMMERCE EXTERIEUR [Information on Foreign Trade]. Both the NCCM and RCM produce cobalt and, in view of the expansion plans of both companies, the 6,000 tons may be exceeded in 1985. The question, however, is how it will be sold, as demand is at a standstill.

Coal is mined in the southern province by the Maamba Colliery. Its 1980 production is estimated at 600,000 tons, as compared to 598,500 tons in 1979. However, outdated installations and a lack of spare parts are beginning to create serious problems.

Especially worthy of note, among other mining products, are zinc and lead, whose production figures, lower than predicted, even regressed in relation to 1979 (11,220 tons of lead and 38,200 tons of zinc in 1980, as opposed to 11,220 tons of lead and 34,320 tons of zinc in 1979). Here too they have come up against technical difficulties and the deposits are being depleted.

"According to OBCE, insufficient investments highly endanger the future profit-making capacity of the mines, some of which are coming to the end of their years of worthwhile productivity, in any event. All in all, the future of Zambian copper does not look bright for the following reasons: Zambia's low currency reserves do not permit modernization of the mines, the copper content of the ore is diminishing and the mines lack qualified personnel."

As far as agriculture is concerned, the 1979-1980 season did not enjoy favorable climatic conditions. The rainy season did start on time, but, beginning in late December, it was interrupted by an abnormally long dry spell. The nation's critical financial situation also had repercussions in agriculture, which was unable to import all the equipment, fertilizer and feed it needed.

In May, President Kaunda launched his "Food Production" operation, which should enable the national to reach complete self-sufficiency by 1990 in the area of food crops. This program places particular emphasis on the role played by public authorities in agricultural production, a role that might be strengthened through the creation of state farms.

Corn is the basic food in Zambia. Although the area devoted to that crop was definitely greater than during the 1978-1979 season, the 1979-1980 harvest only yielded 4.2 million bags of 90 kg. This is why 2.3 million bags had to be imported last year in order to fill the population's most elemental needs.

On the other hand, rice production made progress, as it reached 26,300 bags of 80 kg. That amount, however, only covers about half of domestic requirements. Thus there was an attempt last year to create more rice fields in the northern province as well as Luapula province.

Sizable amounts of currency also had to be allocated to import wheat last year. Domestic production, estimated at 6,966 tons, represents only a negligible fraction of consumption (115,00 tons). This is why the authorities were endeavoring to encourage that crop, with the aid of Canada and the EEC (Mpongwe project in the Copperbelt).

The sugar cane harbest broke all records in 1980, with 108 tons. Also, production of refined sugar reached 100,900 tons. The Zambia Sugar Company (a quasi-governmental firm) made a profit of 1.4 million kwachas before taxes, while in 1979 it had sustained a one million loss.

With regard to other crops, production increased for soybeans, cotton, sunflowers and tea, but decreased for Virginia tobacco and peanuts.

Meat production--beef in particular--declined, while milk production, already insufficient, regressed from 14.7 million liters in 1979 to 13 million.

OBCE also points out that Sambia's manufacturing industry seems to have achieved better results (in volume produced) in 1980 than in 1979.

A comparison of the industrial production index for the first 8 months of those 2 years did indeed bring out a 5 percent progress, due mostly to the following categories: textiles, chemicals, rubber and non-metalbearing minerals. The re-opening of the "southern route" must no doubt have had something to do with that development, as it enabled Zambian industry to facilitate the importation of the raw materials it needs.

In the area of electric energy, production in 1979 reached 8,772 million kWh; in 1980 it is estimated at 9,309.8 million kWh, a record figure. As domestic needs (5,555.4 million kWh in 1980) only represent 59 percent of production, the surplus is exported to Zaire and to Zimbabwe.

With regard to energy needs, the big problem remains the supply of petroleum, whose rise in price resulted in doubling Zambia's petroleum bill between 1977 and 1980, although the volume imported did not increase (it is even reported to have declined). The 1980 petroleum bill amounted to 130 billion kwachas. It should rise by 50 million kwachas in 1981, if a volume equal to last year's is involved.

OBCE also points out that trade between the UEBL [Belgium-Luxembourg Economic Union] and Zambia remains out of balance, since in 1980 UEBL imports from that country (copper) reached 1.68 billion Belgian francs (as compared to 1.64 billion in 1979) while corresponding exports amounted to 584.2 million (484.7 million in 1979).

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